

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 PM-07 L-03 NSC-07 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03

COME-00 EB-11 LAB-06 SIL-01 TRSE-00 AGR-20 SAJ-01

NIC-01 DRC-01 EURE-00 CIEP-02 STR-08 /128 W
----- 037215

P R 081500Z MAR 74

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC PRIORITY 7256

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

C O N F I D E N T I A L HELSINKI 0493

E.O. 11652: GDS

TAGS: ELAB, PINT, FI

SUBJECT: FINNISH INCOMES POLICY NEGOTIATIONS ENTER
FINAL STRETCH?

REF: HELSINKI 366

SUMMARY: THERE IS INCREASING OPTIMISM IN HELSINKI
THAT AGREEMENT WILL BE REACHED IN THE NEXT FEW DAYS
ON A CENTRALIZED INCOMES POLICY AGREEMENT FOR THE
PERIOD APRIL 1, 1974 - DECEMBER 31, 1975. END SUMMARY

1. AFTER A LULL OF ABOUT TEN DAYS -- DURING WHICH
DESULTORY NEGOTIATIONS CONTINUED -- THE TEMPO OF THE
EFFORT TO ACHIEVE A CENTRALIZED INCOMES AGREEMENT
BECAME ALMOST FRANTIC THIS WEEK. THIS SPATE OF
ACTIVITY IS ACCOMPANIED BY A RISING FEELING OF
OPTIMISM THAT A CENTRALIZED AGREEMENT MAY ACTUALLY
BE ACHIEVED.

2. ALTHOUGH THE ISSUES REMAIN VERY MUCH AS DES-
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CRIBED REFTEL DIFFERENCES HAVE BEEN NARROWED IN

SEVERAL AREAS -- PARTICULARLY NOTABLE WAS THE MUCH LARGER GOVERNMENT OFFER ON TAX RELIEFS. THE JOKER IN THE DECK REMAINS THE FARM PRICE INCREASES WHICH, IF GRANTED IN FULL, ARE CALCULATED TO RAISE COST OF LIVING BY 3.5 PERCENT. PERSONALITY CLASHES AND CONFLICTING POLITICAL INTERESTS ALSO PLAGUE THIS ISSUE WHICH HAS BEEN MAGNIFIED OUT OF PROPORTION TO ITS ECONOMIC IMPORTANCE TO THE WAGE EARNERS.

3. ALSO THIS WEEK PRESIDENT KEKKONEN HELD A PUBLICIZED MEETING WITH THE NEGOTIATORS. HE REPORTEDLY MADE NO SPECIFIC SUGGESTIONS BUT SAID THAT A CENTRALIZED SETTLEMENT IS A NECESSITY. WE HAVE ALSO HEARD FROM A NUMBER OF SOURCES THAT THE PRESIDENT IS ANXIOUS TO AVOID A GOVERNMENT CRISIS BEFORE THE THIRD PHASE OF THE CSCE AND HIS PRESTIGE IS PROBABLY SUFFICIENT TO MAKE HIS WILL PREVAIL.

4. ALTHOUGH THE MARCH 9 DEADLINE FOR A CENTRALIZED SETTLEMENT HAS BEEN REINFORCED BY A MEETING OF THE FINNISH TRADE UNION CONFEDERATION (SAK) EXECUTIVE CNCIL FOR THAT DATE, MOST OBSERVERS ARE OF THE OPINION THAT IF AGREEMENT IS IN SIGHT BY SATURDAY THE NEGOTIATIONS MAY NOT BE CONCLUDED UNTIL EARLY NEXT WEEK.
KREHBIEL

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